

3 June 1969

OFFICE OF PERSONNEL MEMORANDUM NO. 20-31-17

SUBJECT : Retention of Salary Following Reduction in Grade

RESCISSION: OPM 20-605-16 dated 30 March 1961

1. On 21 February 1959, the Director of Central Intelligence approved adoption by the Agency of the provisions of the Salary Retention Act of 1958, which was enacted as an amendment to the Classification Act of 1949, insofar as these are applicable to the personnel management policies and procedures of the Agency.

2. The Salary Retention Act provides that employees, under certain circumstances, shall be permitted to retain their higher salaries for a period of two years following a reduction in grade. The Act does not apply to employees whose reductions in grade are (a) due to personal cause, (b) made at their own request, or (c) effected as a result of force reduction caused by lack of funds or curtailment of work. Its purpose is to provide a financial cushion for those employees who are reduced in grade through no fault of their own. Within the Agency the salary retention policy will normally apply to:

a. The career reorientation of employees, when grade demotion incident to such reorientation is the appropriate course, and

b. The realignment of assignments as a result of changes in mission, function, or organization.

3. The Director of Personnel shall determine when provisions of the Salary Retention Act apply; accordingly, all requests for personnel action which propose reduction in grade with salary retention will be referred to the Director of Personnel. Procedures outlined below will be applied to accomplish such referrals:

a. Before requesting a change to lower grade action, the Operating Official or Head of Career Service concerned will request a review of contemplated action by the Chief, Special Activities Staff, Office of Personnel (C/SAS/OP). The request should summarize all available facts, which will be supplemented in the Office of Personnel by a statement of additional pertinent facts. This statement will be prepared by the C/SAS after coordination with the Chief, Placement Division (PD), and, as appropriate, with other organizational elements.

11-69

b. The case will be forwarded by the C/SAS to the Director of Personnel, who will make a determination as to the applicability of the provisions of the Salary Retention Act. This determination will be communicated to the Operating Official or Head of Career Service concerned. If it has been determined that the salary retention provisions apply, the individual will be advised by the Head of his Career Service of the contemplated action as well as the determination on salary retention. If the individual concerned agrees to the action, he will so indicate by signing a suitable statement which will be included in the Remarks space of Form No. 1152, Request for Personnel Action. The Request for Personnel Action will then be routed to C/SAS for authentication. Form No. 1150, Notification of Personnel Action, effecting a downgrading which has been determined to fall within the provisions of the Salary Retention Act will bear the following statement under Remarks:

Salary rate for grade \_\_\_\_, step \_\_\_\_ has been established in accordance with the provisions of the Salary Retention Act of 1958. Salary will be adjusted downward on the day following two (2) years from the effective date of this action.

c. If the individual concerned refuses to accept the change to lower grade, the Head of Career Service will refer the case to the Director of Personnel for further investigation and appropriate action.

d. In case the Director of Personnel determines that the salary retention provisions are not applicable, the Head of Career Service will determine further action in accordance with other pertinent Agency procedures.



Robert S. Wattles  
Director of Personnel

OPM 11-69